

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE

IN THE MATTER OF THE APPLICATION OF)
SUEZ WATER DELAWARE INC.)
FOR A GENERAL INCREASE IN RATES)
AND FOR A REVISION TO ITS) PSC DOCKET NO. 16-0163
GENERAL TARIFF)
(FILED FEBRUARY 5, 2016))

ORDER NO. 8935

AND NOW, this 23rd day of August, 2016, the Delaware Public Service Commission ("Commission") determines and orders the following:

WHEREAS, on February 5, 2016, SUEZ Water Delaware Inc. ("SWDE") filed an Application (the "Application") with the Commission seeking approval of: (1) an increase in its water service rates of \$4,943,665, which is a 19.96% increase over existing rates;¹ and (2) various changes to its water tariff as described in the Application; and

WHEREAS, pursuant to its authority under 26 Del. C. §306(a)(1), the Commission reviewed the Application and determined in PSC Order No. 8861 (March 22, 2016) that the proposed rate and tariff changes should be suspended pending full and complete evidentiary hearings into their just and reasonableness; and

WHEREAS, by PSC Order No. 8861, the Commission authorized the Company, pursuant to 26 Del. C. §306(c)², to implement interim rates

¹ SWDE noted that its proposed increase in base rates includes \$1,696,286 of Distribution System Improvement Charge that will be rolled into base rates and reset to zero.

² 26 Del. C. §306(c) provides, in pertinent part, that notwithstanding 26 Del. C. §§306(a) and (b), 60 days after the filing of a petition for a proposed change to any rate, a public utility may put a rate into effect under bond as authorized in 26 Del. C. §306(b), provided that the increase does not constitute an increase in excess of 15 percent of the public utility's annual gross intrastate operating revenues or \$2,500,000 annually, whichever is less.

intended to produce an annual increase in intrastate operating revenues of \$2,499,338 effective with usage on and after April 5, 2016, subject to refund, and waived the requirement of 26 Del. C. §306(b) of a bond with surety with respect to the interim rates, conditioned on SWDE's representation that it will abide by any Commission refund order; and

WHEREAS, as of September 5, 2016, seven (7) months will have elapsed from the date of the filing of the Company's Application; and

WHEREAS, on August 19, 2016, SWDE submitted a Petition with proposed tariff sheets (the "Petition") seeking to implement a revised interim rate increase of \$3,944,930,³ as permitted by 26 Del. C. §306(b); and

WHEREAS, SWDE requests the Commission to waive the statutory requirement of a bond with surety pursuant to 26 Del. C. §306(b), stating that it has sufficient financial resources to provide a refund, if so ordered by the Commission; and

WHEREAS, the proposed rates set forth in the Petition will result in total additional revenue to SWDE of 15% of its annual gross intrastate operating revenues, the maximum increase permitted under 26 Del. C. §306(b); and

WHEREAS, Commission Staff has reviewed the Petition and recommends that the Commission approve the Company's request; and

³ \$3,944,930 is cumulative of the \$2,499,338 put into effect on April 5, 2016 in accordance with PSC Order No. 8861. \$3,944,930 is also 15% of SWDE's intrastate operating revenue and thus the maximum increase allowed under 26 Del. C. §306(b). By the Petition, SWDE seeks to put an additional \$1,445,592 into effect.

WHEREAS, the Commission having reviewed the Petition to implement an interim rate increase and the supporting information demonstrating that the proposed increase is within the limits established by 26 Del. C. §306(b) and otherwise complies therewith for the collection of rates;

**NOW, THEREFORE, IT IS HEREBY ORDERED BY THE
AFFIRMATIVE VOTE OF NOT FEWER THAN THREE COMMISSIONERS:**

1. That the Commission finds, pursuant to 26 Del. C. §306(b), that SWDE has the statutory right, after the expiration of seven (7) months from the filing of its rate increase application, to place into effect an interim rate increase, subject to refund, so long as said rates will not produce an increase in excess of 15% of the Company's annual gross intrastate operating revenues.

2. That the proposed temporary rates set forth in the tariff sheets filed by SWDE in its Petition are reasonably designed to produce, on an annual basis, revenues equal to 15% of the gross annual intrastate operating revenues of SWDE and, consistent with the provisions of 26 Del. C. §306(b), may therefore be effective for usage on and after September 5, 2016, subject to refund.

3. That the Company's request to waive the requirement of 26 Del. C. §306(b) of a bond with surety with respect to the interim rates is granted, conditioned on SWDE's representation that it will abide by any Commission refund order.

4. That the Commission reserves the jurisdiction and authority to enter such further Orders in this matter as may be deemed necessary or proper.

BY ORDER OF THE COMMISSION:

Chair

Commissioner

Commissioner

Commissioner

Commissioner

ATTEST:

Secretary